

Retiree Activities Office

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RAO Newsletter #2012-12 - October 11, 2012 - US Treasury Mandate: Pay to go Electronic by March 1, 2013

A US Treasury mandate will soon require us (DFAS) to pay our military, civilian and retired customers by electronic funds transfer. Beginning March 1, 2013, most of you who receive paper checks will receive your pay directly to your savings or checking accounts. You can get ahead of the rush by setting up direct deposit now.

It's easy, it's safe and it gives you more control with less stress. With direct deposit, we send your payment straight to your bank account. It gives you immediate access to your money the day your payment is due. It also eliminates the risk of lost or stolen checks, forged signatures and identity theft. About 99 percent of DFAS customers already receive their pay by direct deposit. They're enjoying being paid on time without the risks of lost or misrouted mail. Direct deposit gives them the control they want over their personal finances while increasing their financial security.

How to Start Direct Deposit

For those customers with a myPay account, simply log onto myPay at <https://mypay.dfas.mil/mypay.aspx> and enter your bank routing and account numbers. DFAS will require about a week before pay is deposited in your checking or savings account.

Military retirees and annuitants without a myPay account can complete the FastStart Direct Deposit form at <http://www.fms.treas.gov/eft/2231.pdf> and send it to DFAS, U.S. Military Retired Pay, P.O. Box 7130, London, KY 40742-7130.

Former spouses of military retirees should complete a Direct Deposit Authorization

(Form 1059) at <http://www.dfas.mil/dms/dfas/rapay/pdf/1059.pdf> and mail it to DFAS, Garnishment Operations, P.O. Box 998002, Cleveland, OH 44199-8002 if they do not have a myPay account.

Military members or civilian employees paid by DFAS should contact their base finance office, employer's Customer Service Representative (payroll liaison) or human resources office to start direct deposit if they're unable to access myPay. Those needing additional assistance can call DFAS customer service at 1-800-321-1080 (for retirees and annuitants) or 1-888-332-7411 (for military and civilian employees).

Advantages of Direct Deposit

1. On time: Checks sent through the mail take time to reach you. Foul weather, misrouted mail and other events can make your wait even longer. If your check becomes lost or stolen, that time increases as you wait for a replacement check and your bills go unpaid. Direct deposit eliminates the wait. Your money is in your bank account on pay day.
2. More secure: Your mailed check goes through a lot of hands before it reaches you. From printing to transport to your mail box, the more stops it makes the more opportunities there are for it to get lost or stolen. Even when you visit your bank to deposit it, your check can be handled by up to nine people before it is processed. Eliminate the risk and take control of your money. Direct deposit is a sure and easy way to do this.
3. More convenient: No need to drive to the bank to deposit your check means less gas and time. You'll have more time to enjoy the things you really like to do. And if you cash your check at a grocery or retail store, or if you use a check cashing service, direct deposit saves on fees you might otherwise pay.
4. Easy: Don't have a bank account? Find a bank or credit union in your area that is reputable and provides the services you need at little or no cost. And make sure they offer FDIC coverage of your account and accept direct deposit. It's the best way you can take control of your finances and protect yourself at the same time.

Every year, DFAS spends over \$2 million dollars printing and mailing checks to the 1 percent of military members, retirees, DoD civilian employees and contractors who haven't yet made the switch. Each check costs \$1.04 while each electronic payment only costs 8 cents. During these difficult economic times, this money could

be put to use directly supporting America's service men and women.

Please don't wait for March 1, 2013. Make the switch today!

SOURCE: DFAS News Release at <http://www.dfas.mil/mandatoryeft.html>